

Federal Work-Study Program (CFDA No. 84.033)

I. Legislation

Higher Education Act (HEA) of 1965, Title IV, Part C, as amended (42 U.S.C. 2751-2756a) (expires September 30, 1997).

II. Funding History

<u>Fiscal Year</u>	<u>Appropriation</u>	<u>Fiscal Year</u>	<u>Appropriation</u>
1965	\$55,710,000	1987	\$592,500,000
1970	152,460,000	1988	588,249,000
1975	420,000,000	1989	610,097,000
1980	550,000,000	1990	601,765,000
1981	550,000,000	1991	594,689,000
1982	528,000,000	1992	615,000,000
1983	590,000,000	1993	616,508,000
1984	555,000,000	1994	616,508,000
1985	592,500,000	1995	616,508,000
1986	567,023,000	1996	616,508,000

III. Analysis of Program Performance

A. Goals and Objectives

To help financially needy undergraduate and graduate students to meet the costs of their education at participating postsecondary institutions by helping institutions to provide on and off campus part-time employment for students. The funds appropriated pay a portion of the students' salaries in Federal Work-Study (FWS) jobs.

B. Strategies to Achieve the Goals

Services Supported

Federal Work-Study jobs are available to undergraduates and graduate students who attend participating postsecondary institutions and meet certain other criteria (e.g., have a high school diploma or its equivalent or have passed an exam approved by the Secretary of Education). Students must also demonstrate financial need which is based on the cost of education and the ability of the student and their family to pay this cost and calculated in accordance with a congressionally specified formula. Final eligibility and award amounts are determined by the postsecondary institution and depend on the amount of funds available at the institution and the institution's aid-packaging policy.

The FWS program, the Federal Supplemental Educational Opportunity Grant Program, and the Federal Perkins Loan Program are collectively referred to as Campus-Based Programs because the institution determines which eligible students receive awards and how much they receive.

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Student eligibility for a FWS award is determined by a statutory formula; the size of the award is determined by the student's need.

FWS awards are a combination of federal and institutional contributions. The federal contribution has changed over the past few years. In the 1988-89 award year, the federal contribution could not exceed 80 percent; in 1989-90, the federal share could not exceed 75 percent; and for 1990-91, 1991-92, and 1992-93 the award years, the federal share of compensation paid to a student could not exceed 70 percent. Beginning with the 1993-94 award year, the maximum federal share became 75 percent. The institutional share may be waived under certain conditions.

The disbursement of FWS awards is a two-step process. First, the Department of Education allocates funds to eligible postsecondary institutions according to a formula that incorporates a guaranteed minimum (depending on institutional expenditures in the 1985-86 award year); additional funds are allocated in proportion to the need of students' participating in the program. Second, institutions award these funds to eligible students according to their own financial aid-packaging policies. Institutions determine which eligible students receive awards and how much they receive.

In addition to wages for students, institutions may use FWS funds for the following purposes:

- Up to 25 percent of its FWS allocation for an award year can be transferred to the Federal Supplemental Educational Opportunity Grant program.
- The lesser of 10 percent of its FWS allocation or \$50,000 may be used to operate or expand the institution's Job Location and Development Program.
- An institution may qualify for an administrative cost allowance if the institution provided employment to its students in that award year.

Strategic Initiatives

To encourage more students to work as reading tutors and to support the President's America Reads Challenge, the Department has waived the 25 percent institutional matching requirement for students who tutor kindergarten and elementary school students in reading, effective with the 1997-98 academic year. The President's goal is to have Work-Study students account for 10 percent (100,000) of the America's Reading Corps by 1999.

In order to improve the level of participation in community service under the FWS Program, institutions that meet certain criteria, including provisions for community service, do not have to provide their "match" to federal funds.

Beginning in FY 1997, the Department plans to make the FISAP (the Federal Application to Participate in the Program) available to schools in a Windows environment.

Analyses from the National Postsecondary Student Aid Study (V.1.), by the Department's Planning and Evaluation Service, presented in Table 1, found for the 1992-1993 award year that:

- 4.5 percent of all postsecondary students and about 8 percent of all full-time students received FWS employment. The percentage of students participating in the program varied by school

type. Less than 1 percent of proprietary students received FWS, while about 11 percent of students at private institutions did so.

- Almost one-fifth (15.4 percent) of dependent undergraduates at private institutions received FWS employment. At these schools, 27.3 percent of undergraduates with family incomes up to \$29,000 received FWS awards compared with 11.9 percent of those with higher incomes.
- Less than 1 percent of part-time students received aid.

Table 1

**Percentage of Students Participating
in the FWS Program
1992-93 Award Year**

	All	Type of Institution				Status	
		2-Yr Public	4-Yr Public	Private	Prop.	Full-Time	Part-Time
All	4.5%	1.8%	4.6%	11.1%	0.9%	7.9%	0.7%
Graduate	1.8	NA	1.1	3.1	2.2	4.2	0.3
Undergraduate	3.1	0.9	3.3	10.0	0.5	5.9	0.7
Dependent*	4.9	0.9	3.9	15.4	0.4	7.0	0.9
Income							
Under \$10,000	8.6	3.0	10.2	20.6	0.5	12.4	3.1
\$10,000- 29,000	9.0	2.1	8.7	27.3	0.7	13.4	1.6
\$30,000	3.5	0.4	2.2	11.9	0.2	4.9	0.5
Independent	1.6	0.9	2.8	3.6	0.6	4.4	0.7
Income							
Under \$10,000	4.7	3.7	5.9	10.1	0.9	7.1	2.8
\$10,000	0.7	0.3	1.4	1.4	0.3	2.2	0.4

* Undergraduates only.

Source: V.2.

NOTE: The percentage of participation is for each grouping of students that is described by the intersecting row and column descriptors (e.g., 1.1 percent for graduate students attending 4-year public institutions).

Population Targeting and Services

Participation. According to program data, 702,365 students received FWS awards, averaging \$1,087, in the 1995-96 award year (the most recent year for which data are available). This is a decrease from the previous year when 711,906 students received awards averaging \$1,084.

Distribution by sector Institutional participation in the program has decreased slightly: In 1995-96, a total of 3,544 institutions received program funds, whereas 3,620 participated in 1994-95.

Table 2 shows the distribution of FWS funds by type of institution between 1983-84 when these data were first collected, and 1995-96. The proportion of funds going to public, private, nonprofit, and proprietary institutions has changed only slightly throughout this period, with public institutions receiving slightly more than half of all funds disbursed in 1995-96 (approximately 56 percent), private, nonprofit institutions receiving the next largest share (approximately 41 percent), and proprietary institutions receiving a very small portion of funds (approximately 3 percent).

Table 2
Percentage Distribution of FWS Funds,
by Type of Institution
Award Years 1983-84 to 1995-96

Award Year	Public	Private Nonprofit	Proprietary
1995-96	56.5%	40.8%	2.7%
1994-95	52.7	45.5	1.9
1993-94	53.1	45.0	1.8
1992-93	53.4	44.4	2.2
1991-92	52.4	45.5	2.1
1990-91	52.8	45.0	2.2
1989-90	54.5	43.1	2.4
1988-89	54.4	43.3	2.3
1987-88	54.9	42.6	2.5
1986-87	56.3	42.0	1.8
1985-86	55.8	42.8	1.4
1984-85	56.6	42.1	1.3
1983-84	56.6	41.9	1.6

Source: V. 2.

Distribution by dependency status and educational level. During the mid-1980s, increasing shares of program funds were awarded to dependent undergraduates, whereas the portion of funds going to graduate students decreased. These trends appear to have stabilized in the past few years (see Table 3). In 1995-96, undergraduates received approximately 95 percent of all FWS funds, and more than 70 percent of funds awarded to undergraduates were awarded to dependent students.

Table 3

**Distribution of FWS Funds, by Undergraduates'
Dependency Status
Award Years 1983-84 to 1995-96**

Award Year	Dependent	Independent
1995-96	71.4%	23.0%
1994-95	71.2	23.4
1993-94	71.7	23.5
1992-93	62.7	27.3
1991-92	68.7	26.6
1990-91	69.7	25.4
1989-90	69.6	25.7
1988-89	69.8	25.6
1987-88	71.3	24.2
1986-87	64.5	26.8
1985-86	63.8	25.9
1984-85	64.1	25.8
1983-84	64.7	25.2

Source: V.2.

Distribution by income. The proportion of recipients, the total aid, and average awards vary by type of student and level of family income (see Tables 4 and 5.) In 1995-96, the average award for dependent undergraduates was \$1,008, whereas the average award for independent undergraduates was 11.3 percent larger (\$1,142). Graduate students received the largest awards, however, with an average amount (\$1,874). As a result, graduate students receive a disproportionate share of FWS funds. Although they constituted only 5.6 percent of all recipients, graduate students received 9.9 percent of all program funds.

For dependent undergraduates, the percentage of recipients across income levels closely mirrors the percentage of aid distributed across the same income levels. Among dependent undergraduates, approximately 46 percent of FWS recipients are awarded for families with income below \$30,000. The highest average award for dependent undergraduates is for students whose family income is between \$24,000 and \$30,000. The average award for this group is \$1,050.

Table 4

**Percent Distribution of FWS Awards by Dependency
and Graduate Status
for all Students -- 1994-95 Award Year**

	Dependent Undergraduate	Independent Undergraduate	Graduate Students	All Students
Distribution of recipients	71.4%	23.0%	5.6%	100%
Distribution of aid	66.1%	24.1%	9.8%	100%
Average award	\$1,008	\$1,142	\$1,874	\$1,087

Source: V.2.

Table 5

**Distribution Of FWS Awards By
Family Income For Undergraduate Dependent
Students -- 1995-96 Award Year**

	Dependent Students							Total
	Under \$6,000	\$6,000-\$11,999	\$12,000-\$23,999	\$24,000-\$29,999	\$30,000-\$41,999	\$42,000-\$59,999	\$60,000+	
Distribution of Recipients	7.2%	7.6%	20.2%	10.7%	18.8%	20.3%	15.2%	100%
Distribution of Aid	7.5%	7.9%	21.0%	11.2%	19.0%	19.5%	13.9%	100%
Average Award	\$1,056	\$1,049	\$1,050	\$1,050	\$1,012	\$969	\$923	\$1,087

Sources: V.2.

In a 1990 review of research concerned with college work experience for students (V.3), three patterns appeared to emerge:

1. At least in the first years following graduation, students who worked during college earn more money.

2. The positive correlation between working and performance in school is stronger when the job is more closely related to college courses.
3. Students who work do not get lower grades than students who do not work.

C. Program Performance—Indicators of Impact and Effectiveness

Please see Campus-Based Programs Performance Measures displayed in Chapter 504. See also Office-Wide Performance Indicators for the Office of Postsecondary Education displayed in the Overview (OPS) to the postsecondary education programs.

IV. Planned Studies

The National Postsecondary Student Aid Study for school year 1995-96 will be available in FY 1997. The study is repeated at three-year intervals.

A survey is currently under development concerning postsecondary institutions operation of the FWS program. A survey of FWS recipients is also being planned regarding students' experience with the program.

V. Sources of Information

1. National Postsecondary Student Aid Study (Washington, DC: U.S. Department of Education, National Center for Education Statistics, 1992).
2. Fiscal Operations Report 1995-96, unpublished tables from Forecasting and Policy Unit, Policy, Budget and Analysis Section, Office of Policy, Planning and Innovation, U.S. Department of Education.
3. Work Experience for Students in High School and College (Berkeley, CA: National Center for Research in Vocational Education, Reprint Series, 1990)

VI. Contacts for Further Information

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